

FISCAL IMPACT STATEMENT ON BILL NO. ***H.3032, as Amended***
(Doc. No. 18642mm07.doc)

TO:	The Honorable James H. Harrison, Chairman, House Judiciary Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Ken Brown, Allan Kincaid, Rodney Grizzle, Beth Quick, R.J. Stein, Torina Wood and Earle Powell		
DATE:	May 7, 2008	SBD:	2008264

AUTHOR:	Representative Viers	PRIMARY CODE CITE:	12-6-1175
SUBJECT:	Illegal Immigration Reform		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

House Bill 3032, as amended, would add several chapters to the Code of Laws of South Carolina regarding such areas as illegal aliens and public employment, enforcement of federal immigration and custom laws, verification of lawful presence in the United States, verification of nationality of prisoners and registration of immigration assistance services.

EXPLANATION OF IMPACT:

State Budget and Control Board - Statewide

Section 3 of the Bill requires public employers and those who contract with public employers to participate in a federal work authorization program for employment verification. Currently, employers may participate in this program without charge. However, if the number of employers using the system continues to grow, there is a potential that a charge would be required for participation. This could result in additional cost to state agencies along with costs for training employees.

In addition, state and local governmental entities may experience increased costs from government contractors as they increase costs for participating in the employee verification program. With increased costs to contractors, this may result in fewer contractors seeking business with the state and local governments thereby impacting the costs for services.

Department of Labor, Licensing and Regulation (LLR)

The Department estimates the cost of establishing programs to register immigration assistance service providers, register employers participating in the federal work authorization program, investigate complaints, verify registration information, provide for translation services, assess fines and bring court actions at \$2,656,640 annually with a one-time office set up cost of \$122,500 in the first year. Fifty-one (51.00) FTEs would be needed to implement these programs in all counties of the State. Since the Bill does not authorize LLR to charge fees, the cost of the programs impact on the General Fund of the State. However, the Bill does authorize the agency to assess, retain and expend fines for violations; therefore, the cost to the State General Fund would be reduced by the amount of fines the agency can collect.

Employment Security Commission

The Commission reports there are approximately 100,000 employers statewide. This Bill would require two separate mailings at a total one-time cost of \$93,188. This cost includes \$3,020 in mailing supplies (i.e., paper and envelopes), \$6,600 in contractual services to fold and stuff mailings and address envelopes, \$1,568 in other personal service and employee benefit expenses, and \$82,000 in postage for 200,000 mailings. It is assumed additional General Funds would be required to fulfill the requirements of the Bill.

Administrative Law Court

The Court would be responsible for hearing all contested cases in accordance with the provisions of Chapter 23 of Title 1 of the South Carolina Code of Laws. Because there is no historical information on the number of cases this Bill may produce, the Court cannot determine if it would be able to absorb these costs or if additional funding would be needed.

State Law Enforcement Division

Based on a review of this Bill and pending the level of enforcement, the number of agents required to implement the provisions of this Bill cannot be determined at this time. The annual cost to the General Fund of the State for each agent is approximately \$65,774 with a one-time cost of \$42,900 for vehicle and equipment.

Commission on Minority Affairs

The Bill would require the Commission to establish and maintain a 24 hour toll free telephone number and website for the reporting of immigration violations. This would result in a recurring cost to the General Fund of the State totaling \$167,780. Costs of \$101,878 would cover salary and fringe benefits for Two (2.00) FTE positions and \$65,902 in operating expenses. One-time costs of \$25,400 would be needed to cover the cost of the call center, database equipment and software. Total first year cost for the Commission is estimated at \$193,180.

Law Enforcement Training Council

The Council indicates this Bill will have minimal to no impact on the General Fund of the State. The training of law enforcement officers in the area of Federal Immigration enforcement will be dependent on funding from the Department of Home Land Security.

Judicial Department

The Department indicates this Bill will have an impact on the General Fund of the State in cost associated with the addition of Circuit Court Judges and staff to handle additional cases the Department anticipates upon enactment. However, the number of additional cases to be processed is unknown. If the number of civil lawsuits and criminal cases became significant, case processing of all cases in circuit court would be affected. The cost associated with the addition of one (1) new Circuit Court Judge and staff (administrative assistant, court reporter and law clerk) is approximately \$347,327 for personal services and associated operating expenses and \$20,510 of non-recurring cost for automation and furniture. The addition of a new judge would also require more courtroom space, an expense borne by county government.

Department of Corrections

The Department indicates enactment will have no impact on expenditures or a minimal impact which can be absorbed at the current level of funding.

SC Department of Transportation

The Agency has been forwarded a copy of this Bill and a response is pending.

Attorney General's Office

The Agency has been forwarded a copy of this Bill and a response is pending.

Department of Revenue

The Agency has been forwarded a copy of this Bill and a response is pending.

Recapitulation

Cost estimates from the Attorney General's Office, SC Department of Transportation and the Department of revenue are pending. For those agencies that have responded, total first year impact on the General Fund of the State associated with this Bill is estimated at \$3,432,445, assuming only one additional Circuit Court Judge would be needed. Annual impact thereafter is estimated at \$3,171,747. However, these estimates do not include potential indirect cost associated with the employee verification program contained in Section 3 or any potential impact on SLED. Costs will be greater if additional judges are needed. The impact on the General Fund will be offset to the extent other funds revenue is collected by LLR pursuant 41-8-50(D).

LOCAL GOVERNMENT IMPACT:

Two local governments indicated enactment would have little or no impact on expenditures. Three other local governments estimated the impact to range from \$125,000 - \$700,000 with the majority of costs in the law enforcement area.

SPECIAL NOTES:

Approved by:

A handwritten signature in black ink that reads "Harry Bell". The signature is written in a cursive, flowing style.

Harry Bell
Assistant Director, Office of State Budget